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Message Text

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ACTION EB-07

INFO OCT-01 IO-13 ISO-00 L-03 FRB-03 OMB-01 ITC-01 SP-02
USIA-06 AGRE-00 AID-05 CIAE-00 COME-00 INR-07 LAB-04
NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00 CIEP-01 CEA-01
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TO SECSTATE WASHDC PRIORITY 4649
INFO USMISSION USUN
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EB/IFD FOR PREEG AND IO/IEP FOR BRUCE

EO 11652: NA
TAGS: UNCTAD
SUBJ: UNCTAD: ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES

REF: A. GENEVA 104, B. GENEVA 336

1. SUMMARY: AS REPORTED IN REFTEL A, ALBERTO FUENTES-MOHR, CHIEF, UNCTAD TRADE EXPANSION DIVISION, BRIEFED MEMBERS OF GROUP B ON PREPARATIONS FOR COMMITTEE ON ECONOMIC CO-OPERATION AMONG DEVELOPING COUNTRIES IN LIEU OF EARLY ISSUANCE OF MAIN DOCUMENTS FOR MEETING. BRIEFING CONCENTRATED ON FUTURE WORK PROGRAM OF SECRETARIAT IN RESPONDING TO REQUESTS MADE AT SEPTEMBER MEXICO CONFERENCE OF G-77 (TD/B/628 CONTAINS TEXT) TOGETHER WITH ORGANIZATIONAL AND FINANCIAL IMPLICATIONS OF WORK PROGRAM. END SUMMARY.

2. THE SECRETARIAT HAS DIVIDED ITS PROPOSED WORK PROGRAM ON ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES INTO
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TWO ELEMENTS, ONE RELATED TO ACTIVITIES TO BE UNDERTAKEN DIRECTLY BY UNCTAD OR WHICH ARE ALREADY UNDERWAY WITHIN THE SECRETARIAT AS A RESULT OF PREVIOUS DECISIONS TAKEN; AND THE OTHER RELATED TO AREAS IN WHICH UNCTAD WILL PARTICIPATE, BUT IN WHICH IT WILL NOT BE THE PRINCIPAL ACTOR. THE TWO CATEGORIES CORRESPOND TO THE REQUESTS MADE AT THE MEXICO CONFERENCE. (THE

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MEXICO CONFERENCE, OF COURSE, ALSO MADE NUMEROUS REQUESTS
TO OTHER UN AND NON-UN BODIES.) THERE ARE NO PLANS OF
THE SECRETARIAT TO SUPPORT DIRECTLY G-77 MEETINGS, BUT
THE SECRETARIAT WOULD CONTINUE TO PARTICIPATE IN G-77
ORGANIZED MEETINGS UPON REQUEST.

3. THE BULK OF THE PROPOSED SECRETARIAT RESPONSE TO
MEXICO IS IN THE TRADE AREA, PRIMARILY IN THE FIELD OF
ATTEMPTING TO DEVELOP A GLOBAL SYSTEM OF PREFERENCES
AMONG LDCS. THE MAJORITY OF NEW RESOURCES REQUESTED WILL
BE EMPLOYED IN THIS AREA. THE WORK PROGRAM PROPOSED
CONSISTS OF INITIALLY MAKING A SURVEY OF CURRENT TARIFF
REGIMES OF LDCS (CONCENTRATING ON EXPORTS OF INTEREST
TO LDCS), NTB PROBLESM, ETC., WITH THE OBJECTIVE OF
DEVELOPING SUGGESTIONS ON WHAT AN LDC PREFERENCE SYSTEM
SHOULD CONSIST OF. THIS PREPARATORY STAGE WOULD LAST
FROM MARCH 2977 TO JUNE 1978, TO BE FOLLOWED BY WHAT
FUENTES-MOHR DESCRIBED AS A "PRE-NEGOTIATING" STAGE FROM
JUNE 1978 THROOUGH 1979. A WORKING GROUP OF LDC EXPERTS
WOULD BE CONVENED INTHE "PRE-NEGOTIATING" STAGE TO DRAW
UP THE ELEMENTS OF ANY SUCH PREFERENCE SCHEME IN ADVANCE
OF FINAL NEGOTIATIONS. DEVELOPED COUNTRY GOVERNMENT
EXPERTS WOULD NOT BE EXPECTED TO PARTICIPATE IN THE
WORKING GROUP, ALTHOUGH FUENTES-MOHR INDICATED IN-
DIVIDUAL EXPERTS FROM DEVELOPED COUNTRIES MIGHT BE
EXPECTED TO PARTCIPATE IN A PRIVATE CAPACITY. THE
ASSISTANCE OF THE GATT AND REGIONAL COMMISSIONS'
SECRETARIATS WOULD BE SOUGHT.

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4. THE SECOND TRADE RELATED PROGRAM CONCERNS EFFORTS
TO ESTABLISH JOINT PROCUREMENT POLICIES. INITIAL WORK
WOULD CONSIST OF A GENERAL SURVEY AND AN INVESTIGATION
OF POSSIBLE IMPORT POOLING ARRANGMENTS TOGETHER
WITH POTENTIAL INSTITUTIONAL AND FINANCIAL ARRANGEMENTS
THAT MIGHT BE REQUIRED. FEASIBILITY STUDIES ON POOLING
ARRANGMENTS FOR INDIVIDUAL PRODUCTS WOULD BE UNDERTAKEN,
WITH PARTICULAR MENTION BEING MADE OF THE WORK CURRENTLY
UNDERWAY BY THE TRANSFER OF TECHNOLOGY DIVISION ON
PHARMACEUTICALS AND FERTILIZERS AND, POSSIBLY,
ALSO FOR GRAINS. MARCH 1977 THROUGH 1979 WAS GIVEN AS THE
TIME-TABLE FOR THE COMPLETION OF THESE STUDIES.

5. THE THIRD PROGRAMS IS IN THE TRADE AREA RELATED TO
DEVELOPING A SYSTEM OF COOPERATION AMONG STATE TRADING
AGENCIES. INITIAL ACTIVITY IN 1977-78 WOULD ENCOMPASS
A SURVEY OF SUCH AGENCIES TO BE FOLLOWED BY A STUDY OF
POSSIBLITIES OF DEVELOPING COOPERATIVE EFFORTS. IT WAS
NOT CLEAR IF THE COOPERATION SOUGHT IS BETWEEN DEVE-

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LPED SOCIALIST TRADING AGENCIES AND LDC AGENCIES OR
MERELY BETWEEN LDC AGENCIES.

6. THE FOURTH PRJECT CONCERNS TRADE RELATED TO MULTI-
NATIONAL MARKETING ENTERPRISES, COMMENCING WITH A SURVEY
OF REGIONAL AND SUB-REGIONAL ACTIVITIES, THE TYPES OF
ORGANIZATIONS NOW EXISTING AND CONSIDERATION OF
FEASIBILITY OF SUCH ARRANGMENTS FOR PARTICULAR PRODUCTS.
NO TIME-FRAME WAS GIVEN FOR THIS ACTIVITY.

7. THE FIFTH AND LAST TRADE RELATED PROJECT
CONCERNED A STUDY OF THE POSSIBILITY OF ESTABLISHING
COMMODITY EXCHANGES IN LDCS AND WOULD ENCOMPASS AN
ANALYSIS OF THE FEASIBILITY OF AND GENERAL CRITERIA FOR
INDIVIDUAL COMMODITIES EXCHANGES.

8. THE SECRETARIAT PROPOSES TO CONTINUE AND EXPAND WORK
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BEING UNDERTAKEN IN THE FIELD OF TRANSPORATION PROBLEMS
OF LAND-LOCKED AND ISLAND DEVELOPING COUNTRIES.
COST ANALYSIS OF TRANSIT PROBLEMS OF TWO COUNTRIES
(NEPAL AND AFGHANISTAN) IS CURRENTLY UNDERWAY BY THE
RESEARCH DIVISION, BUT ADDITIONAL RESOURCES WILL BE
SOUGHT FOR MORE STUDIES.

9. IN THE FIELD OF MONEY AND FINANCE, THE SECRETARIAT
PROPOSES TO CONTINUE TECHNICAL ASSISTANCE TO EXISTING
CLEARANCE AND PAYMENTS ARRANGMENTS, TO ASSIST IN THE
ESTABLISHMENT OF NEW ARRANGMENTS AND TO STUDY
POTENTIAL LINKS BETWEEN SUCH ARRANGEMENTS AND TO ORGANIZE
MEETINGS OF OFFICIALS OF SUCH ARRANGEMENTS TO CONSIDER
SUCH LINKAGES.

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ACTION EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 L-03 FRB-03 OMB-01 ITC-01
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LAB-04 NSAE-00 OIC-02 SIL-01 STR-04 TRSE-00 CIEP-01

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CEA-01 AF-08 ARA-06 EA-07 NEA-10 OES-06 FEA-01 /112 W
----------201749Z 117774 /42
P R 201621Z JAN 77
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 4650
INFO USMISSION USUN
USMISSION OECD PARIS

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10. THE SECRETARIAT IN THE FIELD OF CAPITAL FLOWS TO LDCS PROPOSED TO ESTABLISH AREGULAR SYSTEM OF GATHERING DATA ON OPEC FLOWS TO LDCS.

11. IN THE AREA OF TRANSFER OF TECHNOLOGY, THE CURRENT WORK PROGRAM OF THE DIVISION OF TRANSFER OF TECHNOLOGY ON REGIONAL AND SUB-REGIONAL CETNERS (AS APPROVED AT NAIROBI) WILL CONTINUE TO BE THE SECRETARIAT'S MAIN EFFORT.

12. TURNING TO THE SECOND CATEGORY OF ACTIVITIES, THE SECRETARIAT PROPOSES TO ASSIST IN A MULTINATIONAL IN-VENTORY OF FINANCIAL AND TECHNICAL ASSISTANCT CURRENTLY UNDERWAY BY THE INTERNATIONAL FINANCIAL INSTITUTIONS. SOME WORK MIGHT BE UNDERTAKEN ON MULTINATIONAL PRODUCTION ENTERPRISES (AS ENVISAGED IN NAIROBI RESOLUTION 96(IV)), AND TO GIVING OF SOME SUPPORT TO "GROUP POLICIES" TOWARD TRANSNATIONAL COROPRATIONS TO BE UNTILIZED IN THE UN NEW YORK WORK ON TRANSNATIONALS. IN ADDITION
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THE SECRETARIAT PROPOSES FURTHER SECRETARIAT SUPPORT FOR LDC EFFORTS IN THE FIELD OF THE ESTABLISHMENT OF JOINT INSURANCE AND REINSURANCE PROJECTS, AND MULTINATIONAL TRANSPORTATION ENTERPRISES. WHILE UNCTAD WILL NOT BE THE PRIME MOVER IN THESE FIELDS, FURTHER BUDGETARY RE-SOURCES WILL BE SOUGHT TO ACCELERATE THE SECRETARIAT'S ACTIVITIES.

13. TURNING TO THE ORGANIZATIONAL AND FINANCIAL IMPLICATIONS OF THE PROPOSED WORK PROGRAM, FUENTES-MOHR INDICATED THAT THERE WOULD NOT BE ANY MAJOR NEW MACHINERY IN UNCTAD, BUT THAT ACTIVIES WOULD BE UNDERTAKEN BY BEEFING UP THE STAFF OF THE PRESENT DIVISIONS SINCE THE WORK TO BE UNDERTAKEN WAS "CROSS-SECTIONAL". AN OVERALL "FOCAL POINT" WOULD BE ESTABLISHED TO MONITOR THE ACTIVITIES AND VARIOUS TASK FORCES WOULD BE ESTABLISHED

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WITH THE REGAIONAL COMMISSIONS TO CARRY THE WORK FORWARD.
HE EMPHASIZED THAT THE SECRETARIAT VIEWED THE PROGRAM AS
A "ONE-SHOT" ACTIVITY TO BE COMPLETED IN THREE YEARS
AND, THEREFORE, ADDITIONAL STAFF ASSITANCE WOULD BE
PRIMARILY IN THE FORM OF CONSULTANTS. THE ADDITIONAL
RESOURCES TO BE SOUGHT FOR THE HIRING OF CONSULTANTS,
GIVING OF TECHNICAL ASSITANCE AND TRAVEL OF THE
SECRETARIAT TO PARTICIPATE IN G-77 MEETINGS WILL BE:
FOR THE FIRST CATEGORY: IN 1977 - $683,000; IN 1978 -
$1,000,000; AND IN 1979 - $1,100,000. FOR THE SECOND
CATEGORY: IN 1977 - $500,000; AND IN 1978 AND 1979 MORE
THAN $600,000. A MORE SPECIFIC BREAKDOWN IN THE POTENTIAL
USE OF THE FUNDS WAS NOT GIVEN. AS TO SOURCE OF FINANCING,
FUENTES-MOHR INDICATED THAT SINCE IT WOULD BE TOO LATE
TO OBTAIN THE MONEY THROUGH THE REGULAR BUDGETARY PROCESSES
FOR 1977, TRUST FUNDS WOULD BE SOUGHT, BUT AFTER 1977,
FUNDING WOULD BE THROUGH THE REGULAR BUDGET.

14. IN RESPONDING TO QUESTIONS, FUENTES-MOHR STATED
THAT FOR THE FIRST CATEGORY OF ACTIVITIES THE EFFORTS OF
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OTHER ELEMENTS OF THE UN SYSTEM HAD NOT BEEN TAKEN INTO
CONSIDERATION SINCE THERE WAS, IN HIS OPINION, NOWHERE
WHERE SUCH ACTIVITIES ARE BEING EFFECTIVELY UNDERTAKEN.
IN RESPONSE TO A QUESTION ON THE INCLUSION OF
TECHNICAL ASSITANCE IN THE REGULAR BUDGET, FUENTES-MOHR
STATED THAT SINCE THE PROPOSED ASSISTANCE WAS NOT "PROJECT
AID" BUT MERELY ADVISORY SERVICES LENT BY THE SECRETARIAT,
HE SAW NO CONFLICT. ON THE SYSTEM OF GLOBAL LDC PRE-
FERENCES, THE SECRETARIAT WOULD NOT BE PROPOSING ANY ONE
PARTICULAR SYSTEM AS THE OBJECTIVE OF THE STUDIES, BUT
RATHER WOULD MERELY LIST POSSIBLE ELEMENTS OF SUCH A
SYSTEM FOR THE CONSIDERATION OF THE "PRE-NEGOTATION"
WORKING GROUP, AND WOULD INCLUDE THE EXPERIENCES OF
EXISTING PREFERENCE SYSTEMS AND IN THE MTN. THE REPORTS
PREPARED BY THE SECRETARIT AND OF THE WORKING GROUPS
WOULD BE REFERRED TO THE INTERGOVERNMENTAL MACHINERY OF
UNCTAD PRIOR TO SUBMISSION TO THE "APPROPRIATE MACHINERY
OF THE G-77", AS REQUESTED BY THE MEXICO CONFERENCE. HE
NOTED A RECENTLY PASSED UNGA RESOLUTION WHICH REQUIRED
THAT ALL DOCUMENTATION SHOULD BE MADE AVAILABLE TO ALL
MEMBERS (TEXT NOT AVAILABLE IN GENEVA, COPY WOULD BE
APPRECIATED.)

15. CONCERNING THE OTHER ITEMS ON THE AGENDA, FUENTES-MOHR
STATED THE RULES OF PROCEDURE TO BE PROPOSED ARE BASICALLY
THOSE ADOPTED FOR THE COMMITTEE ON THE TRANSFER OF
TECHNOLOGY WITH ONLY THOSE ESSENTIAL CHANGES AS REQUIED.
THE DOCUMENT SHOULD BE AVAILABLE TODAY OR TOMORROW AND WILL

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BE AIRMAILED UPON RECEIPT. ON AGENDA ITEM FIVE, THE SECRETARIAT IS PREPARING A LIST OF TECHNICAL ASSISTANCE PROJECTS WHICH UNCTAD "IS OR MIGHT BE" INVOLVED IN, BUT WHICH SUFFER FROM A LACK OF ADEQUATE FINANCING (COMMENT: ONE MUST ASSUME THE PURPOSE OF THIS LISTING IS TO OBTAIN SOME SANCTION FROM THE COMMITTEE TO INCREASE RESOURCES AVAILABLE, PROBABLY FROM THE REGULAR BUDGET). NO LISTING OF BILATERAL PROJECTS IS TO BE MADE, BUT FUENTES-MOHR
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INDICATED THAT THIS MIGHT BE AN APPROPRIATE SUBJECT FOR A SUBSEQUENT MEETING OF THE COMMITTEE.

16. COMMENTS AND GROUP B REACTION WILL FOLLOW. CATTO

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Message Attributes

Automatic Decaptioning: X
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Original Classification: LIMITED OFFICIAL USE
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Reference: 77 GENEVA 104, 77 GENEVA 336
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